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UTILITIES COMMISSION

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July 1, 2016

VIA OVERNIGHT DELIVERY

Idaho Public Utilities Commission
472 West Washington
Boise, ID 83702-5983

Attention: Jean D. Jewell
Commission Secretary

Re: PacifiCorp Notice of Affiliate Transaction
Case No. PAC-E-05-8

Dear Ms. Jewell:

This letter will serve as notice pursuant to Commitment I 17(2), incorporated in the Idaho Public Utilities Commission Order No. 29973 issued February 13, 2006, as supplemented by Order No. 29998 March 14, 2006, in the above-referenced proceeding, approving the acquisition of PacifiCorp by MidAmerican Energy Holdings Company (now "Berkshire Hathaway Energy Company" or "BHE"), of an affiliated interest transaction with International Business Machines Corporation (IBM). PacifiCorp desires to enter into an Enterprise Software and Support Option (ESSO) agreement with IBM and IBM Credit LLC (IGF), under which IBM will provide certain products and services for multiple applications under the terms and conditions of one agreement, rather than providing those services under a separate agreement for each application.

PacifiCorp will receive cost savings for the software and services provided in accordance with the ESSO. PacifiCorp will also enter into a Transaction Finance Agreement (TFA) under which the company will remit payments for the products and services provided by IBM under the ESSO. A verified copy of the ESSO is included with this Notice as Attachment A. A verified copy of the TFA is included with this Notice as Attachment B. Both Attachments are designated as Confidential, and are commercially-sensitive and are subject to a provision in the ESSO requiring that the entire contract (and the terms of associated documents that are incorporated therein by reference, including the TFA) be designated confidential. Disclosure of the information could erode the company's bargaining position and could be deemed to be a breach of contractual obligations.

PacifiCorp is a wholly-owned indirect subsidiary of Berkshire Hathaway Energy Company (BHE). BHE is a subsidiary of Berkshire Hathaway, Inc. (Berkshire Hathaway). Berkshire Hathaway publicly owns IBM common stock totaling greater than a five percent interest.

Jean D. Jewell
Notice of Affiliate Transaction
July 1, 2016

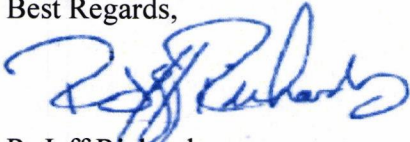
Therefore, Berkshire Hathaway's ownership interest in IBM may create an affiliated interest in some PacifiCorp jurisdictions.

PacifiCorp has historically used a variety of technologies from IBM to support the delivery of key business functions. Specific functions provided by IBM include support for the company's customer service and billing, support for enterprise reporting and analytics in the Enterprise Data Warehouse, support for Corporate Enterprise Content Management for document storage, archiving and retrieval, and support for optimization of energy trading activities. PacifiCorp has previously provided notice of agreements for software and support services supporting the ESSO to the Commission. The ESSO allows Company to bundle certain software licensing purchases and support services to achieve benefits over the term of the contract.

PacifiCorp relies on software furnished by IBM to create and maintain critical business records. This software is proprietary to IBM; therefore, only IBM is able to provide service. Without the software furnished by IBM, many groups in the company would not be able to perform critical tasks necessary for business functions or prepare reports related to those business functions. Procurement and installation of different reporting systems would require considerable time and expense. Accordingly, the transaction is consistent with the public interest.

Please do not hesitate to contact me if you have any questions.

Best Regards,



R. Jeff Richards
Vice President and General Counsel
PacifiCorp

Enclosures

CONFIDENTIAL

ATTACHMENT A

Enterprise Software and Support Option

This attachment is confidential in its entirety and
will be provided under separate cover

CONFIDENTIAL

ATTACHMENT B

Transaction Finance Agreement

This attachment is confidential in its entirety and
will be provided under separate cover